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AGRICULTURAL **OUTLOOK** DIGEST

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Here's an updating of last fall's agricultural outlook for 1964:

Outlook for Farmers' Income: Farm income prospects for 1964 have been enhanced by farm legislation enacted in early April. Realized net income this year may be a little below 1963's \$12.3 billion, but by less than last fall's estimate of a 5 percent drop. Gross income from farming will likely equal or exceed the 1963 level, but expenses for production items probably will rise faster. With farm numbers declining about 3 percent in 1964, however, per farm income may be close to the \$3,430 record of last year.

Here's how the commodity situation looks:

LIVESTOCK: Second quarter marketings of fed cattle may be up somewhat from a year earlier and little changed from relatively high first quarter 1964 average...Prices may average about the same as in first quarter.

Hog slaughter probably will be below 1963 rates the rest of the year. Prices will continue strong relative to last year. Lamb slaughter will be down and prices up from last year.

DAIRY: Whether milk output continues above last year (it was up slightly in first quarter) depends largely on pasture conditions; they are below average now. Milk prices for the year will likely average slightly above support.

POULTRY: Egg production this year probably will be above last year. Reasons: Bigger laying flock, rising rate of lay. Prices received by farmers may continue below year-earlier levels.

A downturn in broiler production--from substantial first quarter gain--is in progress. Broiler prices probably will strengthen in the second half to average about same as a year earlier.

WHEAT: Wheat supply for 1964-65 marketing year may be below any year since 1957-58. Carryover stocks July 1 this year will likely be down 25 percent from last year mostly due to increased exports. Even though prices received for 1964-crop wheat will be much below 1963 (loan level was cut to \$1.30 per bushel from \$1.82), additional payments through negotiable certificates--and diversion payments for putting wheat land into soil-conserving use--improve income prospects.

FEED GRAINS: Based on March 1 planting intentions, and in view of record signup in the 1964 Feed Grain Program, production will probably be down from 1963's 156 million tons. Even with some increase in carryover, supply for 1964-65 may be close to the 220 million tons of a year earlier. Prices this summer may average a little below a year earlier.

SOYBEANS: Grower intentions to boost soybean plantings this year, plus indicated buildup in carryover stocks, point to a 1964-65 marketing year supply perhaps 12 percent above a year earlier. Prices for 1963-crop beans will likely decline in May-September from this April.

VEGETABLES: Fresh supplies--especially of spring broccoli, cabbage, sweet corn, and lettuce--may be down somewhat this spring from a year earlier. Prices into June will likely average above relatively low levels last year. Potato prices to farmers this spring will probably be materially above last spring.

FRUIT: The 1963-64 Florida Valencia orange crop, now being harvested, is 28 percent above last spring's freeze-damaged crop but 9 percent below the recent average.

COTTON: If growers reduce their cotton acreage much from 1963--the wheat-cotton bill signed April 11 provides the incentive--production will go down from 1963's large crop. And the new law's provision for lower prices to manufacturers should boost domestic use of the 1964 crop. So, carryover as of August 1, 1965, might show a reduction from the large stocks on hand at the end of the current marketing year.

WOOL: With sheep numbers declining, prospects are for less U. S. wool production in 1964 than last year. Wool prices are expected to stay near the relatively high levels of the last 2 years.

TOBACCO: Flue-cured and burley crops this year are expected to be down from last year...Acreage allotments for these large-volume cigarette tobaccos were cut 10 percent for 1964 crop. But 1964-65 supplies will be large--carryovers from 1963-64 will likely be up from a year earlier.